

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTIFICATION TO NATURAL GAS)	
CUSTOMERS OF CHANGES TO THE)	
ENFORCEMENT OF KENTUCKY'S)	CASE NO.
UNDERGROUND FACILITY DAMAGE)	2018-00171
PREVENTION ACT)	

ORDER

The Commission, on its own motion, opens this proceeding to ensure that customers of natural gas local distribution companies (“LDCs”) and municipal natural gas system operators in Kentucky receive notice of recent changes to the Underground Facility Damage Prevention Act, KRS 367.4901 through KRS 367.4917 (the “Act”). Originally enacted in 1994, the Act governs the protection of underground natural gas and hazardous liquid pipelines in the Commonwealth and sets forth the consequences of failure to comply with the requirements of the Act.

While those consequences and penalty amounts remain the same, the 2018 Kentucky General Assembly amended the Act¹, granting the Commission exclusive jurisdiction and responsibility (i) to investigate incidents of damage to underground natural gas and hazardous liquid pipelines; and (ii) to assess penalties if the Commission finds that provisions of the Act have been violated. The amendments take effect July 14, 2018.

The Commission notes that damage to natural gas lines regularly occurs when customers of LDCs or municipal natural gas systems conduct excavations on their

¹ S.B. 104, 2018 Gen. Assemb., Reg. Sess. (Ky. 2018).

property. Because no enforcement entity was specifically identified under the prior version of the Act, such incidents were rarely investigated nor applicable penalties assessed.

The Commission regulates the rates, services, and safety of LDCs and has jurisdiction over the safety of municipal natural gas operators pursuant to KRS 278.495. For both LDCs and municipal systems under Commission jurisdiction, the Commission finds that the most effective and efficient way to notify customers of the changes to the Act, and of the potential consequences of violations, is through the inclusion of the information in customer bills. Specifically, the Commission finds that the notification should include the following language:

NOTICE TO CUSTOMERS

NEW PROVISIONS RELATED TO THE CALL-BEFORE-YOU-DIG REQUIREMENT

Because you receive natural gas service, you likely have underground natural gas lines at your place of residence or business. Damage to natural gas lines from excavation work can lead to explosion or fire and can cause property damage, serious injuries or death.

Beginning July 14, 2018, the Kentucky Public Service Commission (“PSC”) will begin investigating instances of excavation damage to underground natural gas pipelines to determine whether the pipeline was properly located prior to excavation. Under changes to the Underground Facility Damage Prevention Act of 1994 (the “Act”), which take effect on July 14, 2018, the PSC will have the authority to levy fines for failing to comply with the requirements of the Kentucky statute related to protection of underground utilities.

Key requirements of the Act (KRS 367.4901 to KRS 367.4917) include:

- Excavators, including property owners working on their own property, must call the 811 one-call center at least two working days prior to the start of excavation. IF YOU FAIL TO CALL 811 AND THEN DAMAGE A NATURAL GAS LINE, YOU WILL BE SUBJECT TO A PENALTY.
- The requirement to call 811 applies to all work on private property if it occurs within a utility easement or uses mechanized equipment.
- Natural gas operators must mark the facilities within two working days of receiving the request.
- Penalties for violating the statute are up to \$1,250 for the first violation, \$2,000 for a second violation, and \$4,000 for subsequent violations.

CALL 811 BEFORE YOU DIG AND MAKE SURE THAT ANYONE DOING EXCAVATION ON YOUR BEHALF CALLS 811 TWO WORKING DAYS BEFORE THEY START.

The above language should be included in both printed bills that are mailed to customers and in bills that are transmitted electronically. The Commission also encourages LDCs to place the same information on their websites.

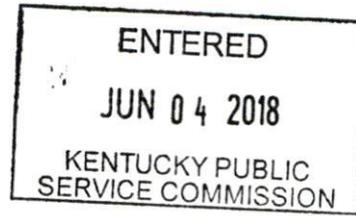
IT IS THEREFORE ORDERED that:

1. Each LDC and municipal natural gas system operator under Commission jurisdiction is made a party to this proceeding and shall be served with a copy of this order.
2. Each LDC and municipal natural gas system operator under Commission jurisdiction shall include the above language in customer bills as soon as practicable but, in no case, later than the first bills issued on or after July 2, 2018. The language shall be included for at least one complete billing cycle.
3. Each LDC and municipal natural gas system operator under Commission jurisdiction shall certify to the Commission, no later than 30 days after the first inclusion of the notice in customer bills, that it has complied with this order. The certification, which

may be made either as a filing in this proceeding or by letter to the Commission, shall include a sample of both printed and electronic bills (if applicable) including the notice.

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By the Commission



ATTEST:


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